



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Northeast Champaign County Fire District  
Champaign County  
PO Box 142  
North Lewisburg, Ohio 43060

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Northeast Champaign County Fire District (the District) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2010 and 2009, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The Fire District processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). Government Auditing Standards considers this service to impair the independence of the Auditor of State to provide attest services to the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, Government Auditing Standards permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to perform attest services for Ohio governments.

This report only describes exceptions exceeding \$10.

### Cash and Investments

1. We tested the mathematical accuracy of the December 31, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the *Fund Status Report* to the December 31, 2008 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 fund cash balances reported in the *Fund Status Reports*. The amounts agreed.
4. We confirmed the December 31, 2010 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 bank reconciliation with the exception the fiscal officer did not post \$923.90 in interest earned on three certificates of deposits as of December 31, 2010. The interest was posted in 2011.

### **Cash and Investments (Continued)**

5. We selected five outstanding checks haphazardly from the December 31, 2010 bank reconciliation:
  - a. We traced each check to the debit appearing in the subsequent January bank statements. We found no exceptions.
  - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2010 and December 31, 2009 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted two exceptions in 2010 in that two certificates of deposit were for 13 and 36 months, respectively, instead of the permissible maximum of 12 months.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2010 and one from 2009.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the *Receipt Register Report*. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the *Receipt Register Report* to determine whether it included the proper number of tax receipts for 2010 and 2009:
  - a. Two personal property tax receipts
  - b. Two real estate tax receipts

We noted the *Receipts Register Report* included the proper number of tax settlement receipts for each year.

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2010 and five from 2009.
  - a. We compared the amount from the DTL to the amount recorded in the *Receipt Register Report*. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Charges for Services**

We haphazardly selected five receipts recorded in the Cash Receipts Records from the year ended December 31, 2010 and five from the year ended December 31, 2009. We compared the amount billed and debited to accounts receivable for the service to the amount received per the cash receipts records, to the amount credited to accounts receivable, and to the amount deposited to the bank. We also compared the date the payment was recorded in the cash receipts records to the date deposited per the bank statement. The amounts agreed.

**Charges for Services (Continued)**

	<b>Amount Billed and Debited to Accounts Receivable</b>	<b>Amount Recorded in Cash Receipts Records</b>	<b>Amount Credited to Accounts Receivable</b>	<b>Amount Deposited per Bank Statement</b>	<b>Date Recorded in Cash Receipts Records</b>	<b>Date Deposited per Bank Statement</b>
<b>2010</b>						
1	\$1,299.62	\$542.80	\$542.80	\$542.80	2/19/10	2/25/10
2	1,023.84	453.21	453.21	453.21	12/17/10	12/17/10
3	1,092.54	461.44	461.44	461.44	7/14/10	7/20/10
4	830.62	486.89	486.89	486.89	11/16/10	11/17/10
5	955.14	102.89	102.89	102.89	10/07/10	10/08/10
<b>2009</b>						
6	\$996.36	\$428.05	\$428.05	\$428.05	12/18/09	12/24/09
7	968.88	476.39	476.39	476.39	3/10/09	3/16/09
8	871.84	344.41	344.41	344.41	9/15/09	9/22/09
9	913.92	859.92	859.92	859.92	5/25/09	5/20/09
10	896.90	376.65	376.65	376.65	1/30/09	2/04/09

**Debt**

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances or any debt payment activity during 2010 or 2009.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the *Employee Detail Adjustment Report* and determined whether the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Retirement system participation and payroll withholding.
  - d. Federal, State & Local income tax withholding authorization and withholding.

We found no exceptions related to the steps above.

2. We tested the checks we selected in step 1, as follows:
  - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively-approved rate or salary). We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2010. We noted the following:

**Payroll Cash Disbursements (Continued)**

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Withheld</u>	<u>Amount Paid</u>
Federal income taxes	January 31, 2011	January 1, 2011	\$5,784.56	\$5,784.56
State income taxes	January 15, 2011	December 31, 2010	679.71	679.71
Triad School District income tax	January 31, 2011	December 31, 2010	500.02	500.02
North Lewisburg income tax	January 30, 2011	December 31, 2010	486.64	486.64
OPERS retirement (withholding plus employee share)	January 30, 2011	December 31, 2010	7,351.67	7,351.67

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the *Payment Register Detail Report* for the year ended December 31, 2010 and ten from the year ended 2009 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the *Payment Register Detail Report* and to the names and amounts on the supporting invoices. We found one check, in the amount of \$477.29, that did not have supporting documentation. The fiscal officer should maintain the original receipt or support documentation for all disbursements.
  - c. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found one instance where a disbursement requiring certification was not certified. We also found three instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

**Compliance – Budgetary**

1. We compared the total from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the *Revenue Status Report* for the years ended December 31, 2010 and 2009. Amounts on the *Certificate* did not agree with the amount recorded in the accounting system. The *Revenue Status Report* recorded budgeted (i.e. certified) receipts of \$496,000 for 2010 and \$477,500 for 2009. However, the final *Amended Official Certificate of Estimated Resources* reflected estimated receipts of \$573,366 for 2010 and \$533,100 for 2009. The fiscal officer should periodically compare amounts recorded in the *Revenue Status Report* to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the *Appropriation Status Report* for 2010 and 2009. The amounts recorded in the *Appropriation Status Report* for 2009 was \$656,700, and the amount per the appropriation resolution was \$668,900.

**Compliance – Budgetary (Continued)**

4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2010 and 2009. We noted no instance for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2010 and 2009 as recorded in the *Appropriation Status Report*. We noted no instance for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register Report for evidence of new restricted receipts requiring a new fund during 2010 and 2009. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.
7. We scanned the 2010 and 2009 *Revenue Status Reports* and *Appropriation Status Reports* for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code Sections 5705.14 -- .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. We inquired of management and scanned the *Appropriation Status Reports* to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the District did not establish these reserves.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the *Payment Register Detail* report for the years ended December 31, 2010 and 2009 for procurements requiring competitive bidding under the following statutes:
  - a. Ohio Rev. Code Sections 505.37 to 505.42 and 731.14 require a fire district to competitively bid purchases of fire apparatus, mechanical resuscitators, other fire equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or service costs exceeding \$25,000.

We identified no purchases subject to the aforementioned bidding requirements.

**Officials' Response:**

**Cash and investments:**

#4 – I forgot to post the CD interest in 2009 and 2010, but have since taken care of and will continue to do so from here on in the future. The interest had been deposited and when that changed I just assumed I would post it when I cashed in the CD but then they were just left to rollover and did not get posted.

#6b - Was totally unaware of the CD term being restricted to 12 month period, but I do now and will correct as soon as the CD's renew.

**Officials' Response (Continued)**

***Non-payroll Cash Disbursements:***

#1b - Steve's markets receipts and bills only say charge, not detailing what the charges are for, I have spoke to them and the guys that get gas to make sure they have the clerk write what the charge is and initial and this should take care of this question in the future.

#1c – I have since learned when to use the Then and Now certificate.

***Compliance – Budgetary***

#1 - I should have reported in the UAN system when I applied for and received an amended certificate from the auditor making my revenue totals match. I have done so this current year and will try to continue to do so.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

May 27, 2011



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**NORTHEAST CHAMPAIGN COUNTY FIRE DISTRICT**

**CHAMPAIGN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 2, 2011**